Office of Hearings and Appeals Western Area Power Administration AGENCY: Western Area Power Administration, Department of Energy. 52 FR 7014

March 6, 1987

Proposed Allocation Criteria and Allocations of Capacity and Associated Energy From the Parker-Davis Project, NV

ACTION: Notice of proposed allocation criteria and allocations of capacity and associated energy from the Parker-Davis Project.

SUMMARY: The Boulder City Area Office of the Western Area Power Administration (Western) requested applications for capacity and associated energy from the Parker-Davis Project (Parker-Davis Power) in the Federal Register (50 FR 2717) on January 18, 1985. New applicants and existing Parker-Davis Project contractors were requested to submit applications by March 15, 1985, for power available beginning June 1, 1987, pursuant to the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (Conformed Criteria) published in the Federal Register (49 FR 50582) on December 28, 1984. These proposed allocations are a result of Western's review and analysis of the applications submitted.

The "Supplementary Information" section contains allocation criteria and a statement of the rationale for granting or denying allocations of capacity and associated energy from the Parker-Davis Project.

Interested parties are invited to submit comments to Western concerning the proposed Parker-Davis allocation criteria and power allocations. Western will review and consider each comment prior to publishing final Parker-Davis allocation criteria and power allocations in the Federal Register. Also to be included in that Federal Register will be responses to all major comments, criticisms, and alternatives offered during the comment period.

DATES: Written comments concerning the proposed allocation criteria and allocations must be submitted April 6, 1987. A public information forum will be held on March 16, 1987, beginning at 2 p.m. An opportunity will be given all interested parties to present written or oral statements at a public comment forum to be held on March 23, 1987, beginning at 9:30 a.m.

ADDRESSES: The public information forum and the public comment forum will be held at the Dunes Hotel, Pyramid Room 2, Las Vegas, Nevada, on the dates and times cited above. Written comments concerning the proposed Parker-Davis Power allocations should be sent to: Mr. Thomas A. Hine, Area Manager, Boulder City Area Office, Western Area Power Administration, P.O. Box 200, Boulder City, NV 89005, (702) 477-3200.

FOR FURTHER INFORMATION CONTACT: Mr. Tom Carter, Assistant Area Manager for Power Marketing, Boulder City Area Office, Western Area Power Administration, P.O. Box 200, Boulder City, NV 89005, (702) 477-3255.

TEXT: SUPPLEMENTARY INFORMATION: The power to be allocated from the Parker-Davis Project was specified in the Conformed Criteria. The Conformed Criteria provided for the reservation of capacity and associated energy (Reserved Power) to existing Parker-Davis Project contractors upon receipt of an application. Also, the Conformed Criteria identified an additional amount of capacity and associated energy (Additional Power) as being available for allocation after May 31, 1987.

Each application for an allocation of Parker-Davis Power was reviewed as to conformance with the Conformed Criteria. All existing Parker-Davis Project contractors complied with the requirement to submit an application. The proposed allocations reflect the allocation of the Reserved Power to the existing Parker-Davis Project contractors. For

those existing Parker-Davis Project contractors and new applicants qualifying under the Conformed Criteria who requested an allocation of the Additional Power, the following additional factors are proposed for usage in the allocation of the Additional Power:

- 1. Federal power resources available, or expected to be available, to the applicant after May 31, 1987.
- 2. Utility status as of the date of this Federal Register notice.
- 3. Ability to receive the power at a Parker-Davis Project designated point-of-delivery by June 1, 1987.
- 4. Western will not allocate less than 1.0 megawatts (MW) to any applicant.

Western proposes to adopt the first factor listed above to ensure the widespread use of the Federal resource, in accordance with Western policy. The second factor, a requirement for utility status, was contained in the General Consolidated Power Marketing Criteria or Regulations for Boulder City Projects (48 FR 20872) and was not changed by the publication at 49 FR 50582 of the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects. The factor is repeated in this notice for ease of reference. The General Criteria apply to the marketing of Parker-Davis Project Additional Power. The reasons for the factor were discussed at length in those Criteria at 48 FR 20878, and that discussion is incorporated herein by reference. The third factor proposed by Western requires an allottee to have appropriate transmission facilities or a contractual transmission arrangement in place by June 1, 1987, and will ensure that the Parker-Davis resource will be utilized promptly. The fourth factor recognizes that operationally Western does not schedule power to entities in quantities of less than 1.0 megawatts.

The applicants selected for the proposed allocation of the Additional Power are new applicants that do not have contracts with Western for Federal power resoruces or are applicants which are existing Parker-Davis Project contractors that have an allocation of withdrawable power.

The applicants selected for the proposed allocations of Additional Power provided information supporting their eligibility under the Conformed Criteria. Each applicant provided information that it will have the means to receive the power at a Parker-Davis Project designated point-of-delivery by June 1, 1987. The new entities selected for an allocation do not have contracts with Western for Federal power resources.

The entities listed below were not elected for an allocation of the Additional Power for the reasons stated.

Investor-Owned Utilities And Private Companies

The following companies were not selected because they are not preference entities under Reclamation law:

Inspiration Consolidated Copper Company, Arizona

Magma Copper Company, Arizona

EG&G Energy Measurements, Inc., Nevada

San Diego Gas and Electric Company, California

An application for an allocation of power to certain Department of Energy facilities operated by EG&G Energy Measurements, Inc. (EG&G) in the Las Vegas, Nevada area was submitted on March 15, 1985. Item 7.c. of the Applicant Profile Data submitted for the allocation lists EG&G as the applicant. Western proposes no allocation to EG&G, since EG&G is not a preference entity under reclamation law. San Diego Gas and Electric (SDG&E), California, was not selected because it is an investor-owned utility and, as such, is not a preference entity under Reclamation law. An allociation to SDG&E on behalf of a group of preference applicants that do not have the means to take and distribute the power, or an arrangement whereby SDG&E would agree to pass on the benefits of the Federal power, does not satisfy the requirements of Federal preference laws.

Federal Agencies

Several Federal agencies were not selected for a proposed allocation of Additional Power, as explained below.

The application for an allocation of power for Department of Energy facilities at the Nevada Test Site was submitted on March 15, 1985. There is not sufficient information in the application with regard to the transmission path that would be utilized to deliver the power to the Site. Accordingly, Western proposes no allocation for the Test Site.

The Bureau of Indian Affairs (BIA) applied for an allocation for the LaJolla, Pala, Pauma, Rincon, and San Pasqual Indian Bands. On March 20, 1986, however, Congressman Packard introduced H.R. 4468, the proposed San Luis Rey Indian Water Rights Settlement Act. As part of a comprehensive water rights settlement, the bill proposed that energy from the Federal Central Valley Project (CVP) be utilized to pump CVP water to the reservations of the five bands in northern San Diego County. Although the bill was not enacted into law during the 99th Congress, it appears that a similar bill may be introduced in the current session of Congress.

In deciding whether or not to exercise its discretion in allocating power to the BIA, Western must balance the BIA's request for Parker-Davis Additional Power with the likelihood that the bands will receive energy from another Federal project. On balance, and given the relatively small amount of power to be allocated in this proceeding and the substantial number of requests for that power, Western propoes not to allocate any power to the BIA for the use of the bands.

The U.S. Fish and Wildlife Service submitted an application requesting an allocation of 0.2 megawatts for the Willow Beach National Fish Hatchery near Boulder City, Nevada. Western proposes no allocation for the Hatchery, since the request falls below the proposed allocation threshold of 1.0 megawatts.

Laughlin Air Force Base, Texas, was not selected because it is located outside the Boulder City marketing area as described in the Conformed Criteria.

Williams Air Froce Base, Arizona, was not selected because it will be receiving power from Western after 1987.

State Agencies

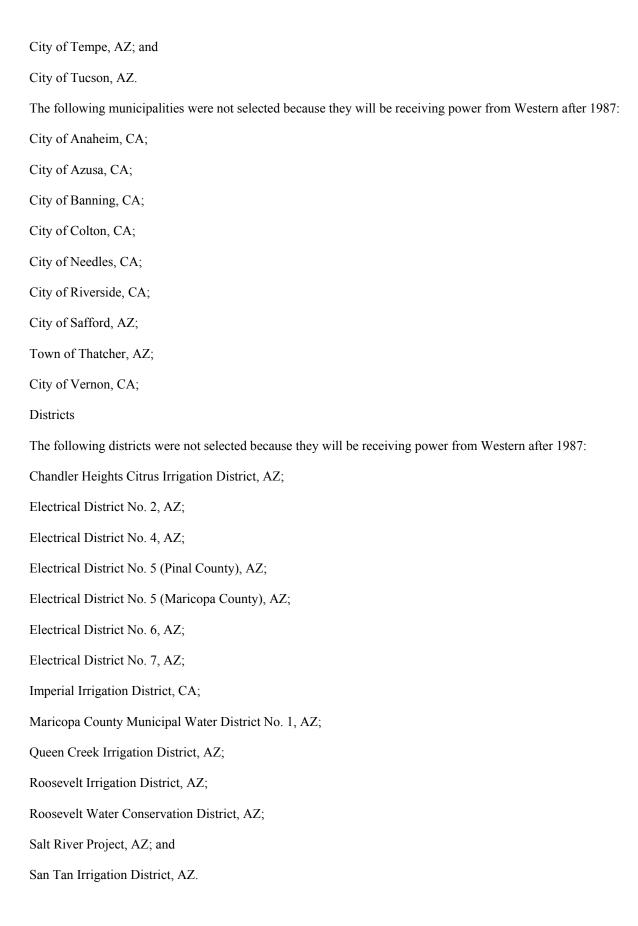
The University of California, Los Angeles and Irvine, California, was not selected because it does not have electric utility responsibility.

Muncipalities

The city of Page, Arizona, was not selected because it is outside the Boulder City marketing area as described in the Conformed Criteria.

The following municipalities were not selected because they do not own and operate an electric utility system and do not possess utility responsibility:

City of Chandler, AZ;
City of Coolidge, AZ;
City of Gilbert, AZ;
City of Glendale, AZ;
City of Phoenix, AZ;
City of Prescott, AZ;
City of Scottsdale, AZ;



The following districts were not selected because they do not own and operate an electric utility system and do not possess electric utility responsibility:

Aguilla Irrigation District, AZ;

Avra Valley Irrigation and Drainage District, AZ;

Buckeye Water Conservation and Drainage District, AZ;

Cibola Valley Irrigation and Drainage District, AZ;

Cortaro-Marana Irrigation and Drainage District, AZ;

Electrical District No. 8, AZ;

Elsinor Valley Municipal Water District, CA;

Harquahala Valley Power District/Harquahala Valley Irrigation District, AZ;

Las Virgenes Municipal Water District, CA;

McMullen Valley Water Conservation and Drainage District, AZ;

Ramona Municipal Water District, AZ;

Rancho California Water District, CA;

San Diego County Water Authority, CA;

Silverbell Irrigation and Drainage District, AZ;

Tonapah Irrigation District, AZ; and

Yuma-Mesa Irrigation and Drainage District, AZ.

Associations

Garkane Power Assocation, Utah, was not selected because a major portion of its service area is outside the Boulder City marketing area as described in the Conformed Criteria. Furthermore, the applicant will be receiving power from Western after 1987.

Intermountain Power Pooling Association, Utah (application on behalf of entities within its service area), was not selected because it is located outside the Boulder City marketing area as described in the Conformed Criteria.

Yuma County Water Users Association, Arizona, was not selected because it will be receiving power from Federal resources after 1987.

Indian Tribes

The Gila River Indian Community, Arizona, was not selected because it does not own and operate an electric utility system and does not possess electric utility responsibility.

Executive Order 12291

The Department of Energy has determined that this allocation is not a major rule because the allocation does not meet the criteria of section 1(b) of Executive Order 12291 (46 FR 13193) dated February 17, 1981. Western has an exemption from section 3, 4, and 7 of Executive Order 12291.

Regulatory Flexibility Act

Pursuant to Regulatory Flexibility Act of 1980 (5 U.S.C. 601, et seq.), each agency, when required to publish a notice of a public rule, shall prepare for public comments an initial regulatory flexibility analysis to describe the impact of the proposed rule on small entities. In this instance, the allocation criteria and proposed allocations relate to electric services provided by Western. Under section 601(b) of the Regulatory Flexibility Act of 1980, services are not considered "rules" within the meaning of the Act; therefore, Western believes that no flexibility analysis is required.

National Environmental Policy Act

Pursuant to the National Environmental Policy Act of 1969 and the Department of Energy regulations published in the Federal Register on February 23, 1982 (47 FR 7976), as amended, Western evaluated the potential for environmental impact of the Boulder City General Consolidated Power Marketing Criteria or Regulations for the Boulder City Area Projects (Environmental Assessment No. DOE-EA-204). On May 2, 1983, the Department of Energy executed a Finding of No Significant Impact for that proposal. Allocation Criteria for the Parker-Davis Project were addressed in the Conformed Criteria.

The Criteria Environmental Assessment addressed the impact of the offer of additional power from the Parker-Davis Project. Western will evaluate the Conformed Criteria to determine if this action is a significant action in the context of the National Environmental Policy Act and will determine wheter or not the allocation will lead to any significant environmental impacts.

Additional Information

The following material relative to the proposed allocation of Parker-Davis Power are available for inspection at the Boulder City Area Office.

- 1. Applications received requesting Parker-Davis Power.
- 2. Federal Register notice (49 FR 50582) dated December 28, 1984, publishing the "Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects."
- 3. Federal Register notice (50 FR 2717) dated January 18, 1985, publishing the "Request for Applications for Power from Boulder City Area Projects."
- 4. Environmental Assessment of General Consolidated Power Marketing Criteria and Regulations for Boulder City Area Projects, Western Area Power Administration, April 1983.

Proposed Allocations

These proposed allocations are made in accordance with the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), the Federal power marketing authority contained in Reclamation laws (43 U.S.C. 371, et seq. and all acts amendatory thereof or supplementary thereto), and the acts specifically applicable to the Parker-Davis Project.

These proposed allocations include the allocations of the Reserved Power to the existing Parker-Davis Project contractors. Reserved Power available to existing Parker-Davis Project contractors include both nonwithdrawable and withdrawable capacity and associated energy. The withdrawable capacity and associated energy is subject to a 2-year withdrawal notice. On March 1, 1984, Western issued a 2-year withdrawal notice to the existing Parker-Davis Project contractors for the withdrawal of 1,500 kilowatts of capacity and associated energy for use in pumping ground water drainage in Yuma County, Arizona, and Imperial County, California. The proposed allocations to new contractors reflect that reduction in withdrawable capacity and associated energy. Withdrawable power will continue to be subject to a 2-year withdrawal notice.

As provided in the Conformed Criteria, the associated energy from the Parker-Davis Project, on or after June 1, 1987, will be equal to 2,441 kilowatthours per kilowatt in the summer season and 1,703 kilowatthours per kilowatt in the winter season. Each proposal allottee's energy allocation will be based on this kilowatthour per kilowatt ratio.

The additional Power made available from the Parker-Davis Project for allocation to new and existing contactors is as follows:

Season watt
Summer 24,555
Winter 22,186

These proposed allocations include the allocations of this Additional Power based on the following:

- 1. Withdrawing an amount from the existing Parker-Davis Project contractors with withdrawable power (equal to one-half of their existing withdrawable power) and allocating the same amount of nonwithdrawable Additional Power to those contractors.
- 2. Allocating nonwithdrawable Additional Power, in a amount equal to 1,000 kilowatts plus a proportionate share of any balance remaining, to eligible new applicants which do not have contracts with Western.
- 3. Allocating withdrawable power (released by allocating nonwithdrawable Additional Power to existing contractors) according to the following formula. For each season, Western divided the amount of nonwithdrawable Additional Power proposed to be allocated to each eligible new applicant by the total amount of nonwithdrawable Additional Power proposed to be allocated to all the eligible new applicants. The resulting quotient for each eligible new applicant was then multiplied by the total amount of withdrawable power available for allocation in each season. That product is the amount of withdrawable power proposed to be allocated to each eligible new applicant in each season. Appendix A, attached to this notice, provides the specific allocations of Additional Power.

The proposal allocations of Reserved Power and Additional Power are shown in the following table 1: TABLE 1. -- PROPOSED CAPACITY (KILOWATTS) ALLOCATION

Winter Season n2 Summer Season n1

Proposed	Withdrawa-	- Non-		Withdr	awa- Non-	-
allottee	ble	withdrawable	Total	ble	withdrawable	Total
APPA:						
AEPCO	0	18,400	18,400	0	23,800	23,800
Mesa	0	8,000	8,000	0	10,450	10,450
CRIR	0	5,940	5,940	0	8,900	8,900
CRC (NV) n3	2,355	38 , 655	41,010	3 , 950	53,000	56 , 950
Edwards AFB n3	590	14,040	14,630	967	17,318	18,285
ED-1 n3	457	1,917	2,374	792	1,721	2,513
ED-3 n3	1,058	1,057	2,115	1,462	1,463	2,925
FMIT	0	1,200	1,200	0	1,970	1,970
Fredonia n3	264	1,109	1,373	508	1,103	1,611
George AFB n3	368	1,545	1,913	683	1,483	2,166
IID	0	26,300	26,300	0	32,550	32,550
Luke/Gila n3						
Bend AFB						
Luke AFB	498	2,088	2,586	793	1,724	2,517
Gila Bend						
AFB	88	369	457	140	304	444
Navy-Marine n3						
Air Sta.	377	1,583	1,960	744	1,617	2,361

Needles Nellis AFB no Norton AFB no Papago		4,064 2,457 2,166	4,064 3,042 2,682	0 1,041 910	5,100 2,262 1,977	5,100 3,303 2,887
Tribal n3						
Authority	516	2,166	2,682	1,041	2,262	3,303
SRP	0	22,500	22,500	0	31,700	31,700
SCIP n3	590	12,540	13,130	967	16,218	17 , 185
Thatcher	0	250	250	0	350	350
WMIⅅ n3	297	2,148	2,445	450	2,650	3,100
Wickenburg n	311	1,306	1,617	615	1,335	1,950
YID	0	780	780	0	960	960
YPG n3	590	3,490	4,080	967	4,268	5,235
Total	9,460	176 , 070	185,530	16,030	226,485	242,515

- n1 March-September.
- n2 October-February.
- n3 Addional Power Allocation (See Appendix A).

In the event that a contractor or potential contractor fails to place power under contract within a reasonable period, to be determined by Western, in accordance with the terms and conditions offered by Western or fails to have the means to receive the power at a Parker-Davis Project designated point-of-delivery by June 1, 1987, unless Western specifically agrees otherwise in writing, the amounts of power released by such failure will be reallocated by Western in accordance with the Conformed Criteria.

The existing Parker-Davis Project contracts were extened through May 31, 1987, upon mutual agreement between Western and each contractor. Upon publication of final allocations, new contracts will be negotiated with existing and new allottees for the power contract period of June 1, 1987, to September 30, 2007. In the event that new contracts cannot be signed before May 31, 1987, the existing contracts may be extended by Western for a period that will provide sufficient time to negotiate and sign new contracts.

Issued at Washington, DC, February 10, 1987.

Ronald K. Greenhalgh,

Assistant Administrator for Washington Liaison.

[FR Doc. 87-4780 Filed 3-5-87; 8:45 am]

APPENDIX A. -- PARKER-DAVIS PROJECT, PROPOSED ALLOCATION OF ADDITIONAL CAPACITY

[Existing Parker-Davis Project Contractors with Withdrawable
Power and Eligible Applicants Without Contracts
with Western for Federal
Resources]

Change 1/2 of n1 withdrawable to

Amount requested nonwithdrawable (kW) (kW)

Winter Summer Winter Summer 22,186 24,555 2,355 3,950

CRC, NV n4

EAFB, CA n4	n5	n5	590	968
ED-1, AZ	12 , 589	14,020	0	0
ED-3, AZ n4	22,186	24 , 555	1,057	1,463
Fredonia, Town, AZ	1,500	2,000	0	0
George AFB, CA	7,480	9,400	0	0
Luke/Gila Bend AFB, AZ:				
Luke AFB	17,000	17,000	0	0
Gila Bend AFB	3,000	3,000	0	0
Navy/Marine Air Sta., AZ	8,000	12,000	0	0
Nellis AFB, NV	20,000	37,000	0	0
Norton AFB, CA	16,000	19,000	0	0
Papago Tribal Auth., AZ	16,000	25 , 500	0	0
SCIP/BIA, AZ n4	38 , 500	38 , 500	590	968
WMIⅅ, AZ n4	6,186	7 , 197	298	450
Wickenburg, Town, AZ	4,200	6 , 500	0	0
YPG, AZ n4	3,100	4,200	590	968
Total	197 , 927	244,427	5 , 480	8 , 767

[Existing Parker-Davis Project Contractors with Withdrawable Power and Eligible Applicants Without Contracts with Western for Federal

Resources]

Resour	CCD]			
	Allocate 1,000		Allocate balance	
	(kW)		(kW)	n2
	Winter	Summer	Winter	Summer
CRC, NV n4	0	0	0	0
EAFB, CA n4	0	0	0	0
ED-1, AZ	1,000	1,000	917	721
ED-3, AZ n4	0	0	0	0
Fredonia, Town, AZ	1,000	1,000	109	103
George AFB, CA	1,000	1,000	545	483
Luke/Gila Bend AFB, AZ:			0	0
Luke AFB	850	850	1,238	874
Gila Bend AFB	150	150	219	154
Navy/Marine Air Sta., AZ	1,000	1,000	583	617
Nellis AFB, NV	1,000	1,000	1,457	1,262
Norton AFB, CA	1,000	1,000	1,166	977
Papago Tribal Auth., AZ	1,000	1,000	1,166	1,262
SCIP/BIA, AZ n4	0	0	0	0
WMIⅅ, AZ n4	0	0	0	0
Wickenburg, Town, AZ	1,000	1,000	306	335
YPG, AZ n4	0	0	0	0
Total	9,000	9,000	7,706	6 , 788

[Existing Parker-Davis Project Contractors with Withdrawable Power and Eligible Applicants Without Contracts with Western for Federal

Resources]

	Total	Total proposed			
	alloc	allocation		proposed	
	nonwith	nonwithdrawable		allocation	
	(k	(kW)		able (kW)	
	Winter	Summer	Winter	Summer	
CRC, NV n4	2 , 355	3 , 950	0	0	
EAFB, CA n4	590	968	0	0	
ED-1, AZ	1,917	1,721	457	792	

ED-3, AZ n4	1,057	1,463	0	0
Fredonia, Town, AZ	1,109	1,103	264	508
George AFB, CA	1,545	1,483	368	683
Luke/Gila Bend AFB, AZ:				
Luke AFB	2,088	1,724	498	793
Gila Bend AFB	369	304	88	140
Navy/Marine Air Sta., AZ	1,583	1,617	377	744
Nellis AFB, NV	2,457	n6 2,262	585	1,041
Norton AFB, CA	2,166	1,977	516	910
Papago Tribal Auth., AZ	2,166	n6 2,262	516	1,041
SCIP/BIA, AZ n4	590	968	0	0
WMIⅅ, AZ n4	298	450	0	0
Wickenburg, Town, AZ	1,306	1,335	311	615
YPG, AZ n4	590	968	0	0
Total	22,186	24,555	3,980	7,267

- n1 Withdrawable amount based on present allocation.
- n2 Balance allocated on the following formula:

Winter Season: 7,706 kW (balance remaining)/105,769 kW * = 07.286 percent (percent of each contractor's requested amount to be allocated).

Summer Season: 6,788 kW (balance remaining)/132,030 kW * = 05.141 percent (percent of each contractor's requested amount to be allocated).

- * Total amount of capacity requested by new applicants, adjusted for requests over the amounts available for allocation.
- n3 Amount to be allocated adjusted for 1.5 MW to be withdrawn for project use. Allocation proportioned on the same percentage as nonwithdrawable. Amount of nowithdrawable allocated divided by total amount allocated to those applicants (16,706 kW winter; 15,788 kW summer) = percent of withdrawable to be allocated to applicant.)
 - n4 Existing Parker Davis Project contractor with withdrawable power.
 - n5 EAFB did not request a specific amount of additional power.
 - n6 Summer Season allocation based on maximum available of 24,555 kW.

Appendix B -- Proposed Parker-Davis Project Allottees

APPA -- Arizona Power Pooling Association, Arizona

AEPCO -- Arizona Electric Power Cooperative, Inc., Arizona

Mesa -- City of Mesa, Arizona

CRIR -- Bureau of Indian Affairs, Colorado River Indian Reservation, Arizona, California

CRC -- Colorado River Commission of Nevada, Nevada

Edwards AFB -- Edwards Air Force Base, California

ED-1 -- Electrical District No. 1, Arizona

ED-3 -- Electrical District No. 3, Arizona

FMIT -- Fort Mohave Indian Tribe, Arizona

Fredonia -- City of Fredonia, Arizona

George AFB -- George Air Force Base, California

IID -- Imperial Irrigation District, California

Luke/Gila Bend AFB -- Luke Air Force Base and Gila Bend Air Force Base, Arizona

Navy-Marine Air Station -- Navy-Marine Air Station, Arizona

Needles -- City of Needles, California

Nellis AFB -- Nellis Air Force Base, Nevada

Norton AFB -- Norton Air Force Base, California

Papago Tribal Authority -- Papago Tribal Utility Authority, Arizona

SRP -- Salt River Project, Arizona

SCIP -- San Carlos Irrigation Project, Arizona

Thatcher -- Town of Thatcher, Arizona

WMI&DD -- Wellton-Mohawk Irrigation and Drainage District, Arizona

Wickenburg -- Town of Wickenburg, Arizona

YID -- Yuma Irrigation District, Arizona

YPG -- Department of the Army, Yuma Proving Ground, Arizona